



Sen. Jim Honeyford



Rep. Bruce Chandler



Rep. Dan Newhouse

2003 15th Session Legislative Review District



**Toll-free
Legislative Hotline:
1-800-562-6000**

Dear Friends,

The 2003 Legislature wrapped up its work for the year on June 11 after completing its 105-day regular session and two special sessions totaling 31 days. All of us were pleased with what we accomplished this year, including approving these key measures:

- A new two-year state operating budget that fixes a \$2.6 billion deficit without resorting to a general tax increase;
- A new two-year state capital construction budget that includes funding for projects in the Yakima Valley and the Columbia River Gorge;
- Several water-related bills, including critical improvements for municipal water, watershed planning and clean water and water quantity interaction; and
- Bills to improve Washington's lackluster business climate, including one reforming the state's ailing unemployment insurance system.

Our goal from the first day of the 2003 session was to work on reforms to create jobs and make government more accountable, and we believe we made progress on those goals.

If you have questions or comments about the issues covered in this newsletter, please contact one of us. It is a privilege and honor to serve and represent you in the Legislature.

Sincerely,

Rep. Bruce Chandler

Rep. Dan Newhouse

Sen. Jim Honeyford

2003 Session Review

15th
Legislative
District

Legislature passes responsible operating budget

The two-year, \$23 billion spending plan passed by the Legislature takes a responsible approach in addressing the state government's fiscal crisis. It avoids a general tax increase, a feat many thought would be impossible when session began in January. Working families throughout the state are struggling to make ends meet. They have no choice but to live within their means. State government should be no different. This budget recognizes the need for government to live within its means by being balanced without a tax increase.

While some tough cuts were made in the budget, it protects our most vulnerable citizens by preserving state funding for the developmentally disabled, mentally ill, elderly in nursing homes and at-risk children.

The adopted budget closed a \$2.6 billion gap (the largest deficit in state history) by reducing bureaucracy, trimming health care rolls, freezing state employee salaries and tightening agency spending.

Although the budget freezes pay for most state government employees, it gives raises to new K-12 teachers in their first seven years of teaching, when starting salaries are lower. We share the belief that this higher starting salary will help attract even more qualified young people to a career in teaching and retain current teachers.

The budget includes \$30 million more for class-size reduction than Gov. Locke requested, increasing per student funding to \$254, up from \$212.

Nearly all of the \$400 million the state will likely receive from the new federal tax relief bill will also be kept unspent to protect against further economic problems.

Capital budget invests in future

During the first special session, the Legislature passed a \$2.6 billion state capital budget. This is the state's construction budget. It allocates funds to maintain existing state-owned facilities, including public schools, colleges and universities, parks and prisons. This spending plan focuses on improving community safety, increasing capacity for colleges and universities, and maintaining environmental stewardship.

The new capital budget should help create nearly 14,000 more jobs in Washington at a time when we really can use more jobs. This will help our state economy and allow us to meet the demand for additional buildings on college campuses.

The three of us were involved in negotiations on the capital budget. We were able to help preserve original Senate funding for several proposed projects located in or near the 15th District, including:

- \$4 million for the Black Rock reservoir in the Yakima Valley.
- \$1.5 million for a new multi-purpose building at the WSU-Prosper campus. Part of this new facility will be for the university's wine-making and viticulture program.
- \$3.9 million for renovating Yakima Valley Community College's Sundquist Annex.
- \$1.8 million to remove old tires from a storage facility, near Goldendale, that poses a fire hazard and is a possible hatching site for mosquitoes that might carry the West Nile virus. Unfortunately, Gov. Locke vetoed this section from the capital budget.
- \$1 million for the water and waste treatment plant in Klickitat.

Legislature passes water reform measures

This was an important session for clarifying state water law. The bills passed by the Legislature will improve the management of our water resources while still protecting water rights. Key water bills approved by the Legislature this year include:

- **2E2SHB 1336**, which provides a framework to move watershed planning to implementation;
- **2E2SHB 1338**, which enhances municipal conservation in return for flexibility, putting more water back in streams or leaving it in the ground; and
- **ESSB 5028**, which clarifies that a valid water right is just that, a property right that cannot be impaired if it is used in accordance with the law.



Legislature addresses high costs of prescription drugs

During the special session, the Legislature approved a prescription drug reform bill that makes drugs more affordable for low-income people and the state. The measure (Senate Bill 6088) directs state agencies to pool their purchasing and use that buying power to negotiate discounts.

People age 50 and older with an annual income of less than three times the federal poverty level are allowed to join the buying pool and get the lower prices. Disabled adults under age 50 who meet the same income requirements can also join the pool. It is estimated this measure will save the state \$16 million over the next two years. This bill was signed into law.



Progress made to improve business climate

Improving the state's business climate was a top priority for us this session. When you consider that Washington's economy has been stagnant for more than two years and that our state unemployment rate has ranked near the top nationally during this period, it's clear that we needed to take positive steps to turn things around.

A key achievement in our effort to improve Washington's business climate was the Legislature's passage of a measure (ESB 6097, sponsored by Sen. Honeyford) reforming Washington's unemployment insurance system. The changes we made to our unemployment insurance system will go a long way to help the job providers in our state create and retain family-wage jobs.

Our state has had one of the most costly UI systems in the country. The average UI cost per employee in Washington is three times the national average. This bill will go a long way towards bringing our system into line with the rest of the nation.

The measure makes changes to several areas of the UI system. It:

- Reduces the maximum duration of unemployment benefits from 30 weeks to 26 weeks, which puts us on par with many other states;
- Freezes the maximum benefit check for jobless workers at \$496 a week until that figure falls from 70 to 63 percent of the state's average weekly wage;
- Calculates a jobless worker's benefits based on his or her average wage over the past year, instead of calculating benefit amounts based on the worker's two highest-earning quarters from the past year; and
- The tax structure is reformed to more accurately reflect the actual employment experience of all employers.

Washington will still have an unemployment system that provides benefits in excess of 250 percent of the national average.

Hearing loss claims: Another issue addressed by the Legislature and sponsored by Sen. Honeyford will add accountability to the industrial insurance system regarding hearing loss claims. Both the Legislature and the Department of Labor and Industries have recognized a dramatic increase in hearing loss claims in recent years.

Hearing loss claims now account for almost one-third of permanent partial disability awards, and it's a significant cost to process them all. The new law will save about \$200 million in the first year and \$14 million each following year.

Other business climate bills passed by the Legislature include:

- SB 5256 insists on the completion of cost-benefit analyses earlier in the rule-making process.
- SB 5766 requires 200 days notice to businesses affected by significant rules.

Unfortunately, the governor vetoed two measures that would have further helped make our state a more attractive place to potential employers:

- HB 1530 would have allowed citizens or businesses to contest agency rules in the county where they live, work or own affected property. Currently, citizens have to travel to Olympia to file challenges in Thurston County Superior Court regarding state regulations, and the governor's veto protects this "home court advantage" for government.
- HB 1531 would have required the governor to personally approve significant state agency rules. But the governor also rejected this proposal, which would have added some much needed accountability to state agencies.



State gas tax raised by 5 cents

The Legislature and Gov. Locke approved a state transportation budget and funding plan that will raise about \$4.2 billion for statewide transportation projects during the next 10 years. The plan increases the state's gas tax for the first time since 1991.

The transportation funding plan includes:

- A one-time 5-cent increase in the state's gas tax;
- A 15 percent weight fee surcharge on trucks (motor homes are not included); and
- A 0.3 percent sales tax on new and used vehicles.

We voted against the transportation funding package because it was a significant tax increase. Also alarming was that, while the new tax is scheduled to expire in ten years, taxpayers will be on the hook to repay the transportation project bonds for 25 years.

Do Not Call list for telemarketers created

The federal government recently created a National Do Not Call Registry to stop unwanted telemarketing sales calls.

You can register online at DONOTCALL.GOV if you have an active e-mail address. Or you can call toll-free, 1-888-382-1222 (TTY 1-866-290-4236), from the number you wish to register. Registration is free. The Federal Trade Commission, the Federal Communications Commission and the states will begin enforcing the Do Not Call Registry on Oct. 1 this year.

Political and charitable solicitations are not covered by the National Do Not Call Registry. However, if you ask a specific organization to remove your name from their list, they are required to honor the request. If they call you again, they are subject to a fine of up to \$11,000.

1-888-382-1222

TTY 1-866-290-4236

DONOTCALL.GOV



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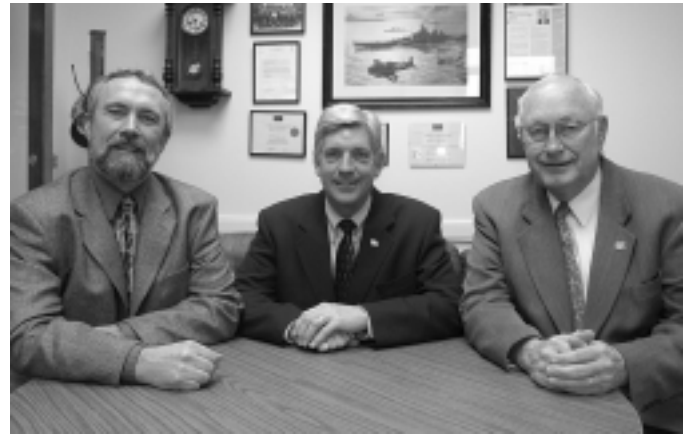
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